

United States

Import Restrictions and Requirements

An import license is not required for importing tobacco or tobacco products into the United States. However, importers are required to obtain a pesticide and end user certificate from the Agricultural Marketing Service's Tobacco Division before entry into the United States. The Pesticide certificate certifies that flue-cured and burley tobacco offered for importation does not exceed the maximum allowable residue levels of any banned pesticide. There is a tariff-rate-quota for imports of flue-cured, burley, and other light air-cured tobacco that are imported for manufacture of cigarettes. Also AMS inspects all tobacco, except oriental and cigar tobacco, imported into the United States for grade and quality.

Tariff Rate Quota

A tariff rate quota (TRQ) was established September 1995 for imports of flue-cured, burley, and other light air-cured tobacco that are imported for the manufacture of cigarettes. Under the TRQ, a tariff rate equal to the concession rate is applied to tobacco imports until the in-quota quantity is filled, after which a tariff rate of 350% ad valorem is applied. The TRQ is subdivided into specific allocations for Argentina, Brazil, China, the European Union, Guatemala, Malawi, Philippines, Thailand, Zimbabwe, and a general allocation for countries other than those allocated specific TRQ quantities. (Tobacco entered under the TRQ from Argentina requires a certificate of origin.).

Other tobaccos, including oriental and cigar type tobaccos are not subject to the quantitative limitations of the TRQ. Imported flue-cured, burley and other light air-cured tobaccos used to manufacture products other than cigarettes are not subject to the tariff-rate quota. And imported flue-cured, burley and other light air-cured tobaccos used to manufacture exported cigarettes would be eligible for manufacturing duty drawback

Under the North American Free Trade Agreement, Canada and Mexico are excluded from TRQ import duties. Duty draw-back provisions apply to re-exported tobacco. The exported tobacco must be the same leaf imported in order to draw-back duties on TRQ tobaccos.

Country allotments are as follows:

Country	Quantity (metric tons)
Argentina	12,000
Brazil	80,200
Chile	2,750
European Community	10,000
Guatemala	9,250
Malawi	12,000
Philippines	3,000

Country	Quantity (metric tons)
Thailand	7,000
Zimbabwe	12,000
Other countries or areas	3,000
Total	151,200

Procedures for obtaining a Pesticide Certificate and End User Certificate

Manufacturers may give advance notification at least 5 days prior to unloading the tobacco by contracting AMS either orally or in writing.

AMS gives the importer two options for pesticide testing. The importer is responsible for the cost of these tests. They are as follows:
The importer may certify that the identified tobacco does not exceed the maximum allowable residue levels. The inspector will, at the time of inspection, run the random sampling to draw an official sample for each 100,000 pounds of tobacco. Or the importer may certify that the identified tobacco will not move in commerce until a chemical analysis is conducted; the inspector at the time of inspection, will run the sampling to draw an official sample from each container or one sample for approximately 50,000 pounds.

The residue standards are as follows:

Pesticide	ppm
Chlordane	3.0
Dibromochloropropane (DBCP)	1.0
Dicamba	5.0
Endrin	.1
Ethylene Dibromide (EDB)	.1
Formothion	.5
Hexachlorobenzene (HCB)	.1
Methoxychlor	.1
Toxaphene	.3
2,4-D	5.0
2,4,5-T	.1
Sum of Aldrin and Dieldrin	.1

Sum of Cypermethrin and Ppermethrin	3.0
Sum of DDT, TDE (DDD), and DDE	.4
Sum of Heptachlor and Heptachlor Epoxide	.1

End User Certificate:

A certificate is required by the importer or subsequent purchaser to identify any and all end users of imported flue-cured or burley tobacco.

Taxes

Tobacco products are subject to federal, state, and sometimes local excise taxes. Federal tax rates on tobacco products in the United States as of January 1999 are as follows:

Product	Tax Rate
Cigars weighing more than 3 pounds per 1,000; wholesale price not more than US\$235.294 per 1,000	12.75%
Cigars weighing more than 3 pounds per 1,000, wholesale price more than US\$235.294 per 1,000	\$30.00/1000*
Cigars weighing not more than 3 pounds per 1,000	\$1.125/1000
Cigarettes weighing more than 3 pounds per 1,000	\$25.20/1000
Cigarettes weighing not more than 3 pounds per 1,000	\$12.00/1000**
Snuff	\$.36/pound
Pipe Tobacco	\$.675/pound
Chewing Tobacco	\$.12/pound

* Percent of wholesale price

** If more than 6.5 inches in length they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per 1,000 counting each 2.75 inches, or fraction thereof, of the length of each as one cigarette.

States impose varying tax rates for cigarettes, and rates vary unevenly among the different states for different quantities, size, weights, and so forth. Also, some municipalities and counties levy taxes on cigarettes. State tax rates per standard package of 20 cigarettes in 1998 were:

STATES	cents per pack
Alabama	16.5
Alaska	100
Arizona	58.0
Arkansas	31.5
California	37.0
Colorado	20.0
Connecticut	50.0
Delaware	24.0
District of Columbia	65.0
Florida	33.9
Georgia	12.0
Hawaii	100.0
Idaho	28
Illinois	58.0
Indiana	15.5
Iowa	36.0
Kansas	24.0
Kentucky	3.0
Louisiana	20.0
Maine	74.0
Maryland	36.0
Massachusetts	76.0
Minnesota	75.0
Montana	48.0
Mississippi	18.0
Missouri	17.0
Montana	18.0
Nebraska	34
Nevada	35.0

STATES	cents per pack
New Hampshire	37.0
New Jersey	80.0
New Mexico	21.0
New York	56.0
North Carolina	5.0
North Dakota	44.0
Ohio	24.0
Oklahoma	23.0
Oregon	68.0
Pennsylvania	31.0
Rhode Island	71.0
South Carolina	7.0
South Dakota	33.0
Tennessee	13.0
Texas	41.0
Utah	51.5
Vermont	44.0
Virginia	2.5
Washington	82.5
West Virginia	17.0
Wisconsin	59.0
Wyoming	12.0

Anti-smoking Measures

There is a strong anti-smoking movement in the United States. There are several governmental and non-governmental organizations involved in tobacco issues. On November 16, 1998, State Attorney General and cigarette manufacturers signed an agreement to reimburse the States for the costs of treating smoking-related illnesses and to reduce underage smoking. Unlike the 1997 agreement, the new tobacco settlement does not require approval by Congress. Under the agreement \$206 billion dollars are to be paid to the States over 25 years. And \$1.5 billion dollars are to be paid over ten years to support anti-smoking measures plus \$250 million dollars to fund research

into reducing youth smoking. Regulations are enforced at both the state and local level.

Regulations are as follows:

All states prohibit the sale and distribution of tobacco to minors (under the age of 18).

A rotating system of four health warnings is required on all cigarette packets and advertisements (including point-of-sale). The warnings are as follows:

(1) SURGEON GENERAL WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy. (2) SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Risks to Your Health: (3) SURGEON GENERAL WARNINGS: Smoking by Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight; and (4) SURGEON GENERAL WARNING: Cigarette Smoke Contains Carbon Monoxide. In addition, smokeless tobacco product packages must rotate the following: WARNING: THIS PRODUCT MAY CAUSE MOUTH CANCER; (2) WARNING: THIS PRODUCT MAY CAUSE GUM DISEASE AND TOOTH LOSS; and (3) WARNING: THIS PRODUCT IS NOT A SAFE ALTERNATIVE TO CIGARETTES.

Federal law prohibits advertising of tobacco and tobacco products via television and radio. Ban on cartoon characters (except for animals currently used on packs), but no ban on human images.

Ban on all outdoor advertising (including billboards) except for advertisements 14 square feet or less outside of, or directed outside from, retail establishments. Allows states to use billboard space for counter-advertising.

Complete ban on sponsorship of concerts, team sports, and events where a significant percentage of the intended audience includes children.

Participating manufactures otherwise permitted one sponsorship per year in each settling state, with substantial limitations on pre-event advertising.

Ban on product placement payments in movies, tv, video games, theatrical, musical and other live performances; and video tapes. Media exhibited in adult only facilities is exempt from this ban.

Smoking is prohibited on buses, on domestic flights and some restrictions apply for rail service.

Smoking is prohibited in the workplace except in separately ventilated smoking rooms. There are smoking bans in government buildings and federally supported offices.